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National Cable Television Association

Daniel L. Brenner
Vice President for Law &
Regulatory Policy
Legal Department

1724 Massachusetts Avenue, Northwest Washington, D.C. 20036-1969

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MAR 1 1993

February 25, 1993

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Ms. Donna R. Searcy Secretary Federal Communications Commission 1919 M Street N.W. Washington, D. C. 20554

Re: Implementation of the Cable Television Consumer Protection

and Competition Act of 1992

Tier Buy-Through Prohibitions, MM Docket No. 92-262

Dear Ms. Searcy:

Enclosed for filing is an original and one copy of an <u>ex parte</u> memorandum submitted by the National Cable Television Association, Inc. in the above-captioned proceeding.

Please address any questions on this matter to the undersigned.

Sincerely,

Daniel L. Brenner

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)
Implementation of Section 3 of the Cable Television Consumer Protection and Competition Act of 1992) MM Docket No. 92-262)
Tier Buy-Through Prohibitions	Ś

EX PARTE MEMORANDUM

On February 19, 1993, representatives from the National Cable
Television Association, Inc. ("NCTA"), Time Warner Inc. and Arlington Cable
met with FCC staff regarding the use of traps and converters in the
implementation of the tier buy-through provision of the 1992 Cable Act. The
presentation was made by Daniel L. Brenner, Vice President, Law and
Regulatory Policy, NCTA; Wendell Bailey, Vice President, Science and
Technology, NCTA; Walter Ciciora, Vice President, Technology, Time Warner
Inc.; and Scott Shelly, Vice President, Arlington Cable.

The Mass Media Bureau staff in attendance included Roy Stewart, Chief; William Johnson, Deputy Chief; Sandy Wilson, Assistant Bureau Chief for Cable; Ron Parver, Cable Branch Chief; John Wong, Assistant Chief, Cable Branch; and Alan Stillwell. The meeting was also attended by Robert Corn-Revere, Chairman Quello's Office; Robert Branson and Byron Marchant, Commissioner Barrett's Office; and John Hollar, Commissioner Duggan's Office.

The attached information on cable traps and converters was provided by NCTA during the meeting.

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Respectfully submitted,

NATIONAL CABLE TELEVISION ASSOCIATION, INC.

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Daniel L. Brenner

Vice President, Law and Regulatory Policy

1724 Massachusetts Ave., NW Washington, D.C. 20036

(202) 775-3664

February 25, 1993

CABLE TV TRAPS AND CONVERTERS: OVERVIEW

TRAPS:

NEGATIVE: A filter to remove a specific signal from a group of signals.

Alvantages:

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- o Small capital cost (approx. \$15.00)
- o Customer friendly
- o No headend cost

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- o Large long term cost (due to churn)
- o All changes must be manual
- o Signals on majority of plant are "in the clear"
- o Impact on signal quality of adjacent channels
- o No ability to do PPV
- o Not compatible with digital compression

POSITIVE: Remove an interfering signal from a desired signal.

Advantages:

- o Small capital cost
- o Customer friendly

Disadvantages:

- o Easily defeated
- o "Softens" desired signal
- o Labor intensive changes
- o No impulse PPV

GENERAL PROBLEMS WITH ANY TRAPS:

Mechanical stability and insertion loss makes using multiple traps unworkable since all changes to trapped services require a truck roll, cost is high over time.

Multiple traps can be mechanically unstable and prone to degradation. Multiple traps can cause a cable operator to fail to meet certain technical standards.

GENERAL PROBLEMS WITH TRAPS: (Continued)

Traps will not be useful in the digital compressed world because of the breadth of filter width.

Negative traps are not useful for PPV.

INTERDICTION: The addition of an interfering signal to a specific signal at or near the subscriber's home.

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Advantages:

- o Customer friendly
- FCC-MAIL POOM o Economical per operation

Disadvantages:

- o Cost of control is related to non-subscriber who gives no revenue
- o Signals are in clear on trunk
- o Jamming carriers add energy in video passband and lead to tuner overload
- o Cost is directly related to the number of channels controlled, i.e. more channels = more cost per subscriber
- o Jamming carriers are precision local oscillators that are affected by temperature swings
- o Tuner overload and cost of channels limit the total number of channels that can be controlled

ADDRESSABILITY: The ability to turn on or off a descrambler by sending a signal to the subscriber's set top descrambler.

Advantages:

- o Flexible customer changes at low cost (handles churn cheaply)
- o Supports PPV and IPPV
- o Signals are secure throughout the cable system
- o Set top added value features such as on screen guide and recording timers

Disadvantages:

- o Set top problem of compatibility
- o High initial cost